
ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2013

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

(A NOT FOR PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2013

CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1-2
<u>Financial Statements</u>	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows	5
Notes to Financial Statements	6-10
<u>Supplementary Information</u>	
Schedules of Support and Revenue	11-12
Schedules of Functional Expenses	13-14
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15-16
Schedule of Findings and Questioned Costs	17
Schedule of Prior Findings and Questioned Costs	18

INDEPENDENT AUDITORS' REPORT

Board of Directors
Assumption Association for Retarded Citizens, Inc.
Napoleonville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Assumption Association for Retarded Citizens, Inc. (a not for profit organization) which comprise the statement of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Assumption Association for Retarded Citizens, Inc. as of June 30, 2013 and 2012, and the respective changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Assumption Association for Retarded Citizens, Inc.'s basic financial statements. The accompanying schedules of support and revenue and functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules of support and revenue and functional expenses are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules of support and revenue and functional expenses are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2013 on our consideration of Assumption Association for Retarded Citizens, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Assumption Association for Retarded Citizens, Inc.'s internal control over financial reporting and compliance.

Postthwaite & Nettleton

Gonzales, Louisiana
September 27, 2013

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 258,024	\$ 300,930
Certificates of deposit	1,288,665	1,276,428
Accounts receivable	161,129	151,094
Inventory	7,264	-
Interest receivable	1,251	1,228
Investments	494,726	419,648
Buildings, and equipment, net	<u>1,130,265</u>	<u>1,130,546</u>
 TOTAL ASSETS	 <u><u>\$ 3,341,324</u></u>	 <u><u>\$ 3,279,874</u></u>
 <u>LIABILITIES AND NET ASSETS:</u>		
Accounts payable	\$ 32,770	\$ 40,920
Salaries and payroll taxes payable	<u>59,694</u>	<u>59,785</u>
 TOTAL LIABILITIES	 <u>92,464</u>	 <u>100,705</u>
 <u>NET ASSETS:</u>		
Unrestricted	3,200,260	3,185,815
Temporarily restricted	<u>48,600</u>	<u>(6,646)</u>
 TOTAL NET ASSETS	 <u><u>3,248,860</u></u>	 <u><u>3,179,169</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 3,341,324</u></u>	 <u><u>\$ 3,279,874</u></u>

The accompanying notes are an integral part of these statements.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>REVENUES AND OTHER SUPPORT, UNRESTRICTED:</u>		
Public Support:		
Public contributions	\$ 11,844	\$ 10,227
Grants - unrestricted, formerly restricted	-	6,646
Allocated by Capital Area United Way	23,000	28,131
Contributions from government agencies	2,075,686	2,127,058
Other Revenue:		
Membership dues - individual	-	90
Sales to public (net of expenses of \$35,358 and \$28,660, respectively)	110,591	105,906
Fundraising	45,000	
Fundraising - unrestricted formerly restricted	6,400	
Activity center services	126,929	109,743
Interest and dividend income	21,222	22,462
Net unrealized gain on investments	67,956	13,271
Loss on sale of assets	(1,075)	(3,328)
Total revenues and other support, unrestricted	<u>2,487,553</u>	<u>2,420,206</u>
<u>REVENUES, TEMPORARILY RESTRICTED:</u>		
Grants - restricted	-	-
Grants - removed from restriction		(6,646)
Fundraising - restricted	55,000	-
Fundraising - removed from restriction	(6,400)	-
Total revenues, temporarily restricted	<u>48,600</u>	<u>(6,646)</u>
<u>EXPENSES:</u>		
Residential Services		
Napoleonville Manor	451,293	428,483
Thibaut Manor	411,685	412,328
Day-Program Services		
Activity Center	465,952	412,821
Project Fund	123,633	111,283
Association Fund	21,747	28,382
Waiver Services	604,472	623,483
General and Administrative		
Central Office	387,680	386,534
Total expenses	<u>2,466,462</u>	<u>2,403,314</u>
Change in net assets	69,691	10,246
Net assets at beginning of year	<u>3,179,169</u>	<u>3,168,923</u>
Net assets at end of year	<u>\$ 3,248,860</u>	<u>\$ 3,179,169</u>

The accompanying notes are an integral part of these statements.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 69,691	\$ 10,246
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	106,920	95,950
(Gain) loss on sale of assets	1,075	3,328
Unrealized gain on investments	(67,956)	(13,271)
Increase in accounts receivable	(10,035)	(22,509)
Increase in inventory	(7,264)	-
(Increase) decrease in interest receivable	(23)	(781)
(Decrease) increase in accounts payable	(8,150)	(15,520)
Increase in salaries and payroll taxes payable	(91)	8,313
Net cash provided by operating activities	<u>84,167</u>	<u>65,756</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
(Increase) decrease in certificates of deposit	(12,237)	(112,723)
Purchases of investments	(7,122)	(6,162)
Purchases of property and equipment	(108,066)	(94,460)
Cash received from sales of property and equipment	352	12,025
Net cash provided by (used in) investing activities	<u>(127,073)</u>	<u>(201,320)</u>
Net increase (decrease) in cash and cash equivalents	(42,906)	(135,564)
Cash and cash equivalents at beginning of year	<u>300,930</u>	<u>436,494</u>
Cash and cash equivalents at end of year	<u><u>\$ 258,024</u></u>	<u><u>\$ 300,930</u></u>

The accompanying notes are an integral part of these statements.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies**

- A. The Association is a non-profit organization which was formed to furnish education and recreation to the mentally retarded and handicapped persons of Assumption Parish. The Association is solely dependent upon appropriation from State agencies and other contributions.
- B. To ensure proper usage of restricted and unrestricted assets, the Association maintains its accounts according to generally accepted accounting principles, whereby funds are classified in accordance with specified restrictions or objectives.
- C. Buildings and equipment are recorded at cost and are being depreciated using the straight-line methods over their estimated useful lives as follows:

Buildings	30 - 40 years
Transportation equipment	5 years
Other equipment	5 - 10 years

- D. Management considers accounts receivable that are more than 30 days old to be past due. Additionally, management has determined that accounts receivable that are more than one year old may not be collectible. Therefore, the reserve for uncollectible accounts is based upon the balance of receivables that are more than one year old. Management has determined that all receivables as of yearend are collectable.
- E. The majority of the Association's revenue is derived from third-party reimbursement arrangements. These revenues and the allowability of the related expenditures are subject to audits by the granting agencies.
- F. The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. The Association has temporarily restricted assets of \$48,600 and \$0 at June 30, 2013 and 2012, respectively, derived from a fundraising raffle ticket sale of which winners will be selected each week for a 52 week period. The restricted assets will be used to purchase the prizes during that period. The Association has no permanently restricted net assets at June 30, 2013 or 2012.

The Association reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of donated noncash assets as well as contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies** (continued)

- G. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- H. The Association considers all cash accounts and certificates of deposit with a maturity of three months or less when purchased to be cash and cash equivalents.
- I. The Association accounts for income taxes in accordance with income tax accounting guidance included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

The Association is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, the Association has not recorded a provision for income taxes in the accompanying financial statements and the Association does not have any uncertain tax positions. The Association files a federal income tax return under U.S. federal jurisdiction. With few exceptions, the Association is no longer subject to U.S. federal examinations by tax authorities for the year before 2009.

- J. Expenses are charged directly to programs in categories based on specific identification. Indirect expenses have been allocated based on total expenses for each program.
- K. Investments in marketable securities with readily determinable fair values are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.
- L. Inventory is stated at cost that approximates market value using the first-in first-out method.

2. **Buildings and Equipment**

Buildings and equipment at June 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Building	\$ 1,552,344	\$ 1,552,903
Transportation equipment	448,480	359,880
Furniture and equipment	<u>334,428</u>	<u>316,462</u>
	2,335,252	2,229,245
Less: Accumulated depreciation	<u>(1,204,987)</u>	<u>(1,098,699)</u>
	<u>\$ 1,130,265</u>	<u>\$ 1,130,546</u>

Depreciation expense was \$106,920 and \$95,950 for the years ended June 30, 2013 and 2012, respectively.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
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NOTES TO FINANCIAL STATEMENTS

3. Contributions from Government Agencies

Contributions from government agencies for the year ended June 30, 2013 consisted of the following:

	Napoleonville Manor	Thibaut Manor	Activity Center	Waiver Services	Total
Title XIX	\$ 393,534	\$377,818	\$ -	\$ -	\$ 771,352
Patient Liability	46,296	65,584	-	-	111,880
OMR	-	-	13,470	-	13,470
Waiver Contract	-	-	388,823	749,365	1,138,188
Department of Transportation Grant	40,796	-	-	-	40,796
Total	<u>\$ 480,626</u>	<u>\$443,402</u>	<u>\$402,293</u>	<u>\$ 749,365</u>	<u>\$2,075,686</u>

Contributions from government agencies for the year ended June 30, 2012 consisted of the following:

	Napoleonville Manor	Thibaut Manor	Activity Center	Waiver Services	Total
Title XIX	\$ 401,714	\$389,637	\$ -	\$ -	\$ 791,351
Patient Liability	46,085	61,683	-	-	107,768
OMR	-	-	5,852	-	5,852
Waiver Contract	-	-	397,972	797,986	1,195,958
Department of Transportation Grant	-	-	-	26,129	26,129
Total	<u>\$ 447,799</u>	<u>\$451,320</u>	<u>\$403,824</u>	<u>\$ 824,115</u>	<u>\$2,127,058</u>

4. Retirement Plan

The Association adopted a Simple IRA retirement plan effective July 1, 1997. The plan covers all full time employees. The Association matches the employees' contributions up to 3% of their compensation. The Association's contributions for the years ended June 30, 2013 and 2012 were \$0 and \$0, respectively.

5. Line of Credit

The Association entered into an open line of credit in the amount of \$50,000 maturing September 2013, of \$50,000 was unused for year ended June 30, 2013. The line bears interest at a 3.3 percent interest rate. Interest payments are due monthly. The line is secured by a certificate of deposit.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

6. Fair Values of Financial Instruments

In Accordance with the Fair Value Measurements and Disclosure topic of FASB ASC, disclosure of fair value information about financial instruments, whether or not recognized in the statements of financial position is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not represent the underlying value of the Association.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

In accordance with this guidance, the Association groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

6. Fair Values of Financial Instruments (continued)

The following methods and assumptions were used by the Association in estimating its fair value disclosures for financial instruments:

Securities

Securities are classified within Level 1 where quoted market prices are available in an active market. Inputs include securities that have quoted prices in active markets for identical assets. If quoted market prices are unavailable, fair value is estimated using pricing models or quoted prices of securities with similar characteristics, at which point the securities would be classified within Level 2 of the hierarchy.

The following table presents for each fair value hierarchy levels, of the Association's financial assets and liabilities that are measured at fair value on a recurring basis.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2013			
Certificates of Deposit	\$ -	\$ -	\$ 1,288,665
Mutual funds invested in stocks	494,726	-	-
	<u>\$ 494,726</u>	<u>\$ -</u>	<u>\$ 1,288,665</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2012			
Certificates of Deposit	\$ -	\$ -	\$ 1,276,428
Mutual funds invested in stocks	419,648	-	-
	<u>\$ 419,648</u>	<u>\$ -</u>	<u>\$ 1,276,428</u>

7. Commitments and Contingencies

Various suits and claims arising in the ordinary course of operations are pending against the Association. The majority of the claims are either covered by insurance or other defenses, however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the Association's management that the ultimate resolution of such litigation will not have a material effect on the financial position of the Association.

8. Subsequent Events

Assumption Association for Retarded Citizens, Inc. has evaluated subsequent events through September 27, 2013, the date that the financial statements were available to be issued, and determined that there were no events that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

(A NOT FOR PROFIT ORGANIZATION) SCHEDULES OF SUPPORT AND REVENUE YEARS ENDED JUNE 30, 2013 AND 2012

	Napoleonville Manor		Thibaut Manor		Activity Center		Project Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
Unrestricted:								
Public Support:								
Public contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,667	\$ 344	\$ 81
Grants - unrestricted, formerly restricted	-	-	-	-	-	-	-	6,646
Allocated by Capital Area United Way	-	-	-	-	-	-	-	-
Contributions from governmental agencies	480,626	447,799	443,402	451,320	402,293	403,824	-	-
Other Revenue:								
Unrealized gain on investments	5,993	1,171	17,851	3,486	-	-	-	-
Membership dues	-	-	-	-	-	-	-	-
Sales to public (net of expenses)	-	-	-	-	-	-	110,591	105,906
Fundraising (net of expenses)	-	-	-	-	-	-	-	-
Fundraising - unrestricted, formerly restricted	-	-	-	-	-	-	-	-
Activity Center services	-	-	-	-	126,929	109,743	-	-
Interest and dividend income	813	874	2,390	2,140	-	-	15	19
Gain (loss) on sale of assets	-	-	-	-	(1,075)	1,400	-	-
Total Public Support and Other Revenue, unrestricted	487,432	449,844	463,643	456,946	528,147	518,634	110,950	112,652
Temporarily restricted:								
Grants - restricted	-	-	-	-	-	-	-	-
Grants - removed from restriction	-	-	-	-	-	-	-	(6,646)
Fundraising - restricted	-	-	-	-	-	-	-	-
Fundraising - removed from restriction	-	-	-	-	-	-	-	-
Total Revenue, temporarily restricted	-	-	-	-	-	-	-	(6,646)

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

(A NOT FOR PROFIT ORGANIZATION)

SCHEDULES OF SUPPORT AND REVENUE

YEARS ENDED JUNE 30, 2013 AND 2012

	Association Fund		Waiver Services		Central Office	
	2013	2012	2013	2012	2013	2012
Unrestricted:						
Public Support:						
Public contributions	\$11,381	\$ 6,479	\$ 119	\$ -	\$ -	\$ -
Grants - unrestricted, formerly restricted	-	-	-	-	-	-
Allocated by Capital Area United Way	-	-	-	-	23,000	28,131
Contributions from governmental agencies	-	-	749,365	824,115	-	-
Other Revenue:						
Unrealized gain on investments	7,132	1,393	36,980	7,221	-	-
Membership dues	-	90	-	-	-	-
Sales to public (net of expenses)	-	-	-	-	-	-
Fundraising	45,000	-	-	-	-	-
Fundraising - unrestricted, formerly restricted	6,400	-	-	-	-	-
Activity Center services	-	-	-	-	-	-
Interest and dividend income	914	848	17,090	18,581	-	-
Gain (loss) on sale of assets	-	-	-	(4,728)	-	-
Total Public Support and Other Revenue, unrestricted	70,827	8,810	803,554	845,189	23,000	28,131
Temporarily restricted:						
Grants - restricted	-	-	-	-	-	-
Grants - removed from restriction	-	-	-	-	-	-
Fundraising - restricted	55,000	-	-	-	-	-
Fundraising - removed from restriction	(6,400)	-	-	-	-	-
Total Revenue, temporarily restricted	48,600	-	-	-	-	-

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

(A NOT FOR PROFIT ORGANIZATION)

SCHEDULES OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2013 AND 2012

	Napoleonville Manor		Thibaut Manor		Activity Center		Project Fund	
	2013	2012	2013	2012	2013	2012	2013	2012
Salaries	\$ 207,966	\$ 201,058	\$ 204,963	\$ 214,263	\$ 262,996	\$ 241,112	\$ 106,886	\$ 102,856
Employee benefits	-	697	-	697	-	1,180	-	-
Activity center services	62,689	54,349	64,240	55,394	-	-	-	-
Dues	-	-	-	-	-	-	-	-
Insurance	12,614	9,789	7,659	8,067	32,683	30,172	181	181
Office supplies	14	1,040	14	963	-	-	-	-
Auto expense	6,849	5,837	5,463	1,431	58,859	47,875	-	-
Postage	-	-	-	-	-	-	-	-
Professional services	7,347	6,554	7,272	6,734	-	-	-	-
Telephone	740	623	660	827	875	861	-	-
Travel and entertainment	24	67	56	41	1,706	1,049	-	-
Food	24,794	28,094	23,583	27,837	-	-	-	-
Payroll taxes	15,758	15,224	15,340	16,197	19,097	18,164	7,650	7,838
Contract work	497	234	252	399	701	1,037	-	-
Other	2,594	1,587	2,090	1,576	319	556	5,158	5
Repairs & maintenance	8,168	2,524	12,295	3,454	9,999	2,461	2,995	-
Depreciation	30,095	28,605	5,292	7,940	57,326	48,083	763	403
Advertising	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-
Utilities	7,225	7,490	8,619	8,192	12,501	12,261	-	-
Supplies	8,522	11,372	8,685	9,764	8,890	8,010	-	-
Medical services	18,159	15,196	8,054	9,290	-	-	-	-
Clothing	701	1,506	611	2,625	-	-	-	-
Bed fee	36,537	36,637	36,537	36,637	-	-	-	-
Total expense before central office	\$ 451,293	\$ 428,483	\$ 411,685	\$ 412,328	\$ 465,952	\$ 412,821	\$ 123,633	\$ 111,283
Central office overhead	\$ 79,542	\$ 67,499	\$ 70,157	\$ 73,890	\$ 82,670	\$ 74,610	\$ 28,404	\$ 24,984
Net Income (Loss)	\$ (43,403)	\$ (46,138)	\$ (18,199)	\$ (29,272)	\$ (20,475)	\$ 31,203	\$ (41,087)	\$ (30,261)

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

(A NOT FOR PROFIT ORGANIZATION)

SCHEDULES OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2013 AND 2012

	Association Fund		Waiver Services		Central Office	
	2013	2012	2013	2012	2013	2012
Salaries	\$ -	\$ -	\$ 545,737	\$ 562,637	\$ 208,841	\$ 205,072
Employee Benefits	1,792	17,737	-	2,226	-	1,888
Activity center services	-	-	-	-	-	-
Dues	348	310	-	-	300	-
Insurance	-	-	2,943	2,739	86,133	87,785
Office supplies	-	-	129	-	14,298	11,987
Auto Expense	-	-	804	1,412	-	-
Postage	-	-	-	-	1,110	815
Professional Service	-	5,000	-	-	17,304	24,567
Telephone	-	-	158	155	3,958	4,058
Travel and entertainment	2,941	1,995	5,828	6,405	1,118	818
Food	442	508	-	-	-	-
Payroll Taxes	-	-	41,749	42,866	16,692	15,574
Contract Work	-	-	-	-	10,346	10,300
Other	3,401	2,824	600	610	-	-
Repairs and Maintenance	-	-	-	-	8,723	2,462
Depreciation	-	-	6,524	4,433	6,920	6,486
Advertising	-	-	-	-	1,938	3,913
Fundraising	12,763	-	-	-	-	-
Utilities	-	-	-	-	7,399	7,510
Supplies	60	8	-	-	2,600	3,299
Medical Services	-	-	-	-	-	-
Clothing	-	-	-	-	-	-
Bed fee	-	-	-	-	-	-
Total expense before central office	\$ 21,747	\$ 28,382	\$ 604,472	\$ 623,483	\$ 387,680	\$ 386,534
Central office overhead	\$ 2,553	\$ 4,878	\$ 101,354	\$ 112,542	\$ (364,680)	\$ (358,403)
Net Income (Loss)	\$ 95,127	\$ (24,450)	\$ 97,728	\$ 109,164	\$ -	\$ -

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Assumption Association for
Retarded Citizens, Inc.
Napoleonville, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Assumption Association for Retarded Citizens, Inc. (a not for profit organization), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which comprise the Assumption Association for Retarded Citizens, Inc.'s basic financial statements, and have issued our report thereon dated September 27, 2013.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Assumption Association for Retarded Citizens, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Assumption Association for Retarded Citizens, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Assumption Association for Retarded Citizens, Inc.'s internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Assumption Association for Retarded Citizens, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gonzales, Louisiana
September 27, 2013

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of Assumption Association for Retarded Citizens, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported as of June 30, 2013.
3. No instances of noncompliance material to the financial statements of Assumption Association for Retarded Citizens, Inc. were disclosed during the audit.

FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

SECTION I – FINANCIAL STATEMENT FINDINGS

NONE